

TARGETED RATE INCREASE FY 2015-16

DEPARTMENTAL PROPOSALS – 6 Proposals, 1 Request for Input

1. Option: Increase Reimbursement Rate for Dental Sealants for Children

Rationale: Through stakeholder outreach and input during SFY13-14, the Department was asked to consider an increase in reimbursement fees for dental sealants for children (“Sealant – per tooth [D1351]). Increasing this dental procedure will help dental providers cover the associated costs for sealants and in turn, will increase access for more children. Proposed is an increase from 10% to 50% of the ADA mean for dental sealant procedure D1351. Increasing reimbursement on this preventive dental service supports the Department’s Performance Plan and its 5-year federal Oral Health Action Plan goals. When children have increased access to this preventive service, data shows that their need for more expensive, painful and severe dental interventions decreases.

Project Total Cost Per Year: \$3,545,183 (see table below)

List of Potential CDT Codes to Increase

<u>CDT Procedure Code</u>	<u>Procedure Description</u>	<u>Current Reimbursement</u>	<u>Reimbursement at ADA 50th Percentile</u>	<u>Total Cost Increase at ADA 50th Percentile</u>
D1351	Sealant - Per Tooth	\$23.90	\$45.00	\$3,545,183

Project Total Cost Per Year: \$3,535,183

Federal Authority: No State Plan amendment required.

Timeline: The minor adjustments to the dental fee schedule, DentaQuest benefits configuration and MMIS systems changes that are required can be implemented quickly.

2. Option: Increase reimbursement for certain physical and occupational therapy benefit codes up to 50% of Medicare rates.

Rationale: Increasing reimbursement for these codes will help ensure member access to quality treatment by allowing providers to increase their Medicaid patient panels, by attracting more high quality providers to Medicaid, and by retaining existing Medicaid providers. PT/OT services are also used as alternative or complementary chronic pain treatment options.

Proposed is an increase for codes 97033, 97110, 97112, 97113, 97116, 97140 and 97530 to 50% of Medicare rate.

Projected Total Cost per Year: \$3 million

Federal Authority: State Plan amendment required.

Timeline: The minor systems changes required can be implemented quickly upon CMS approval.

3. Option C: Increase Medicaid Rate for Prenatal and Postpartum Care

Rationale: An increase in payment for prenatal and postpartum care services will encourage high quality care, improved access and better health outcomes for both Medicaid mothers and infants. Proposed is an increase for CPT codes 59425, 59436, and 59430 (prenatal and postpartum care) to 70% of Medicare rate.

Project Total Cost Per Year: \$624,511

Federal Authority: A State Plan amendment may be required.

Timeline: Implementation could be completed within a few months, pending CMS approval of any required state plan amendment.

4. Option: Increase Reimbursement for (Selected) Office Injectable Drugs

Rationale: Low pricing for office-injected drugs leads to members not receiving services or being sent to hospitals to receive the medication, creating a higher cost service. Thus, the Department is proposing that two subsets of office-administered drugs, oncology and injectable antipsychotic medications be increased at this time. [Office Injectable Drug Procedure Code List](#)

Projected Total Cost per Year: \$845,032

Federal Authority: State Plan Amendment is not required.

Timeline: The minor systems changes that are required can be implemented quickly. No rule changes are necessary to implement this rate change.

5. Option: Increase Reimbursement for In-Home Respite

Rationale: The Department believes that increasing this rate will positively impact clients by allowing them options for respite other than transitioning in and out of a nursing facility.

Projected Total Cost per Year: \$584,478

Federal Authority: The Department would likely need to change rule and submit an amendment for the Home and Community Based Service waivers that would be impacted.

Timeline: The Department expects the necessary rule change and waiver amendment can be completed for implementation on 7/1/2015.

6. Option: Increase reimbursement rates by 10% for substance use treatment for pregnant women through the Special Connections program

Rationale: The effect of substance use during pregnancy is long- and short-term effects on two large segments of the Medicaid population - women and children. Potential future expenses for children are even greater, due to lifelong effects of exposure to drugs or alcohol in the womb. Babies born to women who use drugs or alcohol while pregnant are more likely to:

- Be premature and low birth weight;
- Have physical impairments such as facial clefts, impaired orientation and automatic regulation, seizures, poor movement quality, decreased neuro arousal, increased stress, hyperactivity, impulsivity, and memory and perceptual problems.
- Have preventable non-genetic intellectual disability as a result of prenatal alcohol exposure.

Rates for Special Connections services have increased only 1.5% since the program's inception in 1992. This program is highly specialized, targeting a small, limited population of pregnant women. It has the potential to grow, but new providers are deterred by the low rates.

Recently, the JBC asked the Department why the program has so few providers, citing that providers had expressed inadequate reimbursement as a barrier to becoming Special Connections providers. The Department proactively engaged in provider outreach through the RCCOs, provider networks, and Healthy Communities, aimed at both generating more referrals to the program and attracting more providers. An increase in the rates is a necessary component in helping Special Connections grow and reach this vulnerable population of pregnant women and their unborn children.

Projected Total Cost per Year: \$113,802

Federal Authority: State Plan amendment required.

Timeline: Implementation could be completed within a few months, pending CMS approval of the required state plan amendment.

7. Request for Feedback: Chronic Pain and Opioid Avoidance

The Department is also interested in proposals on how to encourage appropriate prescribing of opioids and alternative treatment options for chronic pain conditions. Please provide your recommendations on how a targeted rate increase could be used to promote opioid avoidance.